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1 BEFORE THE ARIZONA CORPORATION

2

3 IN THE MATTER OF THE APPLICATION OF) DOCKET NOS.:
4 ARIZONA-AMERICAN WATER COMPANY, INC.,) WS-01303A-02-0867
5 AN ARIZONA CORPORATION, FOR A) WS-01303A-02-0868
6 DETERMINATION OF THE CURRENT FAIR) WS-01303A-02-0869
7 VALUE OF ITS UTILITY PLANT AND) WS-01303A-02-0870
8 PROPERTY AND FOR INCREASES IN ITS) W-01303A-02-0908
9 RATES AND CHARGES BASED THEREON FOR)
10 UTILITY SERVICE BY ITS SUN CITY WEST)
11 WATER AND WASTEWATER DISTRICTS.) PUBLIC COMMENTS
12)
13) SPECIAL OPEN
14) MEETING
15 AND RELATED MATTERS.

10 At: Anthem, Arizona

11 Date: November 5, 2003

12 Filed: NOV 25 2003

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1 BE IT REMEMBERED that the above-entitled and
2 numbered matter came on regularly to be heard before the
3 Arizona Corporation Commission, at the Anthem School
4 Gymnasium, 41020 North Freedom Way, Anthem, Arizona,
5 commencing at 6:18 p.m. on the 5th of November, 2003.

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BEFORE: MARC SPITZER, Chairman
8 WILLIAM A. MUNDELL, Commissioner
JEFF HATCH-MILLER, Commissioner
9 MIKE GLEASON, Commissioner
KRISTIN K. MAYES, Commissioner

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Certified Court Reporter
Certificate No. 50658

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1 CHMN. SPITZER: Good evening. This is the
2 time set for the public comment in the matter of
3 Arizona-American Water Company, WS-01303A-02-0867, public
4 comment. I thank you all for being here this evening.

5 Before I go any further, in light of the fact
6 that we are currently in a state of war, we have troops in
7 harms way, I would ask you all to rise and I would ask
8 Navy Veteran Mike Gleason to lead us in the Pledge of
9 Allegiance.

10 (Whereupon the Pledge of Allegiance was
11 recited.)

12 CHMN. SPITZER: Thank you all very much. My
13 name is Marc Spitzer. I am the Chairman of the Arizona
14 Corporation Commission. And all five Commissioners are
15 joining us this evening for a public comment session. We
16 will make a few introductory remarks but the main purpose
17 of this session is to hear from you.

18 The Corporation Commission is unlike many
19 other bodies in government. It is unlike city councils
20 and legislative bodies in that the Commission is
21 established under Article 15 of the State Constitution.
22 The Commission has a mandate under the constitution to
23 provide reliable utility service to the ratepayers of the
24 State of Arizona and, at the same time, to provide a fair
25 rate of return to the companies who provide those

1 services.

2 The Commission's deliberations in a rate
3 proceeding such as this are judicial in nature. And the
4 proceedings are very similar to those that would be in
5 Superior Court in Arizona or anywhere else throughout the
6 country.

7 There are parties. The company has filed an
8 application. It is a record that the company has sought
9 an increase in rates. The Utilities Division of
10 Commission Staff is a party to the proceeding. They have
11 sought a decrease in the rates. There are other entities
12 that have intervened. I would like to note Mr. Stephen
13 Ahearn is the director of the Residential Utility Consumer
14 Office.

15 Steve, if you could.

16 The Residential Consumer Office is not a part
17 of the Corporation Commission but is an entity that was
18 established in the 1980s as part of the executive branch
19 of state government. They have intervened in this
20 proceeding. I know Mr. Grimmelmann and some other folks
21 have intervened in this proceeding as well.

22 The proceeding is before an Administrative Law
23 Judge of the Commission who is an attorney. It is like a
24 court proceeding. In this docket we have already taken
25 evidence from the intervenors and from the applicant and

1 from the Commission Staff that again is a party to the
2 proceeding.

3 Evidence is offered. In December there will
4 be a formal hearing at which point witnesses will be sworn
5 under oath. There will be direct examination. There will
6 be cross-examination. After the close of the evidence,
7 both written and oral testimony, the parties will file
8 briefs in the matter. The case will then go to the
9 Administrative Law Judge for a recommended opinion and
10 order.

11 Once that recommended opinion and order is
12 issued by the judge, which could be an increase of rates,
13 it could be a decrease in rates or they could stay the
14 same, it would then go to the Commission, the five
15 Commissioners for final vote.

16 The recommended opinion and order is not the
17 last word. The Commission can amend, accept or reject
18 the opinion of the Administrative Law Judge. So in many
19 respects, this Commission is fulfilling its duties as
20 judges of a case that is based on the evidence.

21 Public comment is an important part of the
22 record of this case. We have a court reporter who will be
23 transcribing everything that is said this evening. And
24 the transcript of this case will be part of the docket in
25 this case for the Commissioners to consider.

1 It is important note to that the public
2 comment is not evidence per se. The evidence is what is
3 submitted by the parties at the hearing and is part of the
4 formal record of this case. But since Commissioner
5 Mundell to my right became Chairman of the Commission in
6 2001, we have decided to go out throughout the state of
7 Arizona, not just downtown Phoenix, to have public comment
8 sessions to take input because we feel that's the best
9 form of government, is where there is participation.
10 Certainly we are very pleased to see the participation
11 here this evening.

12 And it is, I think, noteworthy when earlier
13 Mr. Gleason recited, and all of us in the audience
14 recited, the Pledge of Allegiance, our unique form of
15 government where your participation in the process is
16 relevant, important, and we, the elected officials, serve
17 at the pleasure of the people while our troops are
18 fighting and dying for it overseas and what the American
19 armed forces have done for 200 years.

20 So your public comments tonight are part of a
21 long and proud tradition of American democracy and we at
22 the Commission are very pleased to be a very small part of
23 that process.

24 Commissioner Mundell?

25 COM. MUNDELL: Good evening. My name is Bill

1 Mundell, one of your Commissioners. And I don't want to
2 take a lot of time because the Chairman explained the
3 process to you.

4 For those of you who haven't lived in Arizona
5 for a very long period of time, in California the
6 Corporation Commission is called the Public Utilities
7 Commission. In Illinois where I am originally from, it is
8 the Commerce Commission. And in other states it is the
9 Public Service Commission.

10 We are however unique in that we are one of
11 only seven states where the Commissioners are under the
12 State Constitution. We are not appointed by the executive
13 branch by the governor. We serve at the pleasure of the
14 people of the state of Arizona where it is a state-wide
15 office. We don't run in districts. We run just like the
16 governor or attorney general or secretary of state
17 throughout the state, every four years now.

18 I would say that, as the Chairman indicated,
19 we have made it a priority to get out of our offices in
20 downtown Phoenix and go to the areas of the state, whether
21 it is Anthem or Tucson or Bisbee or Flagstaff, and go to
22 the areas that are impacted by our decisions.

23 And the purpose of this proceeding this
24 evening is to listen to your concerns and your issues,
25 think about them, and then utilize that, the information

1 we receive tonight, in making our decision when this
2 matter comes before us for a vote.

3 And as the Chairman said, we are different
4 than the Board of Supervisors or the City Council in that
5 we have Administrative Law Judges, men and women who have
6 been to law school that conduct a hearing really like a
7 trial. People are put under oath, cross-examination. And
8 then a recommended order by the Administrative Law Judge
9 is issued. We review it and then determine whether or not
10 to affirm it, reverse it, modify it or send it back for
11 more evidence.

12 So we are a hybrid of the other branches of
13 government, and the courts have consistently said that.
14 Again, we are independent in the State Constitution. And
15 we are a hybrid of the legislative branch of government
16 and the judicial branch and the executive branch.

17 So I look forward to listening to your
18 comments this evening. I will be taking copious notes and
19 ask a few questions and take what I learn this evening
20 into consideration in helping me ask questions and
21 formulate questions at the time of the hearing.

22 Thank you, Mr. Chairman.

23 CHMN. SPITZER: Thank you, Mr. Mundell.

24 The Chair recognizes Mr. Hatch-Miller.

25 COM. HATCH-MILLER: Good evening. Oh, sounds

1 loud.

2 I am the guy with the two last names on the
3 Commission. And I am very thankful to be able to be here
4 tonight. It is obvious from the strength of numbers here
5 in the room that this community is vibrant and alive. It
6 is one of the newest communities in Arizona but obviously
7 also one of the strongest.

8 Our job as Commissioners, as I see it, is to
9 take an application before us and try to make sense of it,
10 for the State and for you as citizens. Anyone that has
11 business before the Commission is allowed to bring to us
12 their business and to apply for whatever it is that they
13 are requesting, in this particular case, a change in their
14 rates as a water company.

15 The fact that they came and applied to us for
16 a change in rates does not determine what the rates are.
17 It is not a blank check. It is just an application that
18 starts the process.

19 The real process that the Commission engages
20 in is determining what it costs to provide water and
21 wastewater services to you. And once we determine what it
22 cost to provide those services to you, then we can
23 determine an appropriate rate based upon that cost, the
24 real cost of the service. And that's what we are moving
25 towards and that's what your testimony will help us

1 achieve.

2 Again, thank you for letting us come here
3 tonight and I welcome your comments.

4 CHMN. SPITZER: Thank you, Commissioner
5 Hatch-Miller.

6 The Chair will recognize Commissioner Mike
7 Gleason.

8 COM. GLEASON: Good evening. It certainly is
9 a pleasure to see all these people. As I talked to some
10 of the people -- we have held these meetings where there
11 have been five people, and three of them were from the
12 County Board of Supervisors that they sent over. So we
13 appreciate what you are doing.

14 And I won't wave this arm too much because I
15 got my flu shot this afternoon. But what I wanted to do
16 is describe to you a little bit about what a rate case is.

17 And a lot of what we do in a rate case is
18 somewhat mechanical. In other words, first we take the
19 company expenses. Now, they put in expenses and our Staff
20 reviews them, kicks some out, does whatsoever. But they
21 have certain --

22 Thank you. That's a job of my wife, to stand
23 back there and wave at me.

24 But letting me go through what we do is we
25 determine the expenses that the company has, you know, and

1 then our Staff looks at them. The next thing we do is we
2 determine how much value they have in the company. I
3 think I was looking at this. There is about nine million
4 bucks that you have here. And then the next step is we
5 determine the rate of return they get on there.

6 Now, if you want to spend four or five
7 exciting hours, you should listen to a lawyer talking to
8 an accountant about how they determine that rate. I will
9 tell you, it is the best Saturday in the world.

10 But, okay, now, after we do that, essentially
11 we have got a bucket and somehow we have to fill that
12 bucket with money. And whether it is five-eighths,
13 three-fourths meter, whether it is the hospital that pays
14 more, whether we have an inverted rate design, these are
15 the things that we determine, who puts the money in that
16 bucket. And that's what we are all about.

17 And my only other thought is your words do
18 count. This is not a done deal. We do listen to you.
19 Thanks a lot.

20 CHMN. SPITZER: Thank you, Commissioner
21 Gleason.

22 As some of you may know, we have had a change
23 in the membership of the Commission. Commissioner Irvin
24 has resigned.

25 Commissioner Gleason knows that I am both a

1 lawyer and accountant. I guess even my wife says I am
2 boring so maybe he is right.

3 We have had a change in membership.
4 Commissioner Gleason resigned -- Commissioner Irvin. I am
5 sorry. You are still here. Commissioner Gleason is still
6 here. I will not hold it against him, his remarks on the
7 lawyer accountant stuff.

8 But we are very pleased to have the newest
9 Commissioner who is already working very hard for the
10 ratepayers of Arizona. She has already immersed herself
11 in the proceedings before us. She will continue to work
12 very hard. We are very pleased with her performance and
13 we are very pleased to have this evening, the Chair will
14 recognize Commissioner Kris Mayes.

15 COM. MAYES: Thank you, Mr. Chairman. I just
16 would like to say I am honored to be here. I have had a
17 chance to meet several of you already, and I am looking
18 forward to listening to you.

19 I have only been here a little while but
20 someone who has been to these a lot more said this is the
21 best turnout they have ever seen for a Corporation
22 Commission field here. So you have lots to be proud of
23 for that. So let the fun begin.

24 CHMN. SPITZER: Thank you very much,
25 Commissioner Mayes.

1 I will dispense with the normal order this
2 evening. Typically the intervenors and parties to the
3 case have their day in court, as it were, in the hearing
4 process. But Mr. Grimmelmann has asked to lead off and
5 make a brief presentation to us. He is an intervenor in
6 the proceeding. And at his request to speak at first and
7 set the tone for the evening, I will recognize Mr. Frank
8 Grimmelmann.

9 MR. GRIMMELMANN: Thank you very much. First
10 of all, I would like to recognize the phenomenal support
11 and turnout of this community, once again for themselves,
12 also Honey Bartsch and the RLAN group for having put the
13 support behind to get the word out.

14 And I would like to thank the Commission for
15 allowing myself as an intervenor and Carl Young as
16 community residents who are interested solely in the
17 benefit of this community to be able to make a few
18 comments tonight in public meeting. Thank you very much,
19 Commissioner Marc Spitzer.

20 My comments are as an Anthem resident and
21 chairman of the Country Club's Homeowner's Finance
22 Committee. We also served for the community council as
23 the advisor in the matter of the rate hearing. And
24 essentially it is for that reason that I also serve as an
25 intervenor.

1 I am a layman. I am not a lawyer. Therefore
2 I have a lot of people in the community that I get along
3 with. And my objective is more to bring a finance
4 background and some background in healthcare regulatory
5 matters to bearing, being able to support and assess what
6 the proposal of the water company is before the
7 Commission.

8 I appreciate the opportunity to briefly
9 comment from our community's perspective on the issues
10 related to, one, the proposed water company rate increase
11 and the context of the Commission and RUCO staff
12 recommendations; secondly, the appropriateness of both the
13 Commission and RUCO staff proposed adjustments; thirdly,
14 factors to consider in setting the appropriate rate of
15 return, and finally a recommended action for the
16 Commission's consideration on behalf of the community. I
17 plan to do this all in the time allotted and from a
18 community perspective.

19 First, I would like to summarize American
20 Arizona Water Company's rate submission and Staff's
21 position.

22 A year ago, the water company proposed an
23 increase of 32.45 percent for combined Anthem water and
24 sewer, on top of Anthem already having the highest rates
25 relative to other Arizona water districts. The finance

1 committee and the Residents' Local Action Network, RLAN,
2 have cooperated since the outset with RLAN's door-to-door
3 grassroots efforts securing 1200 petitioned signatures in
4 the spring of this year, communicating the community's
5 desire for a focused review by Staff in consideration by
6 the Commission.

7 The Commission and RUCO staff have delivered
8 on this request and the reviews are now complete. Both
9 staffs recommended denying the application based on
10 inadequate quality of the submission. They also provide
11 that, if the Commission elects not to deny the
12 application, that there be a decrease in the average rates
13 for water and sewer of 22.6 percent in terms of the
14 Commission Staff and 1.6 in terms of RUCO respectively.

15 We recognize the Commissioners can accept
16 Staff's recommendation or that they can choose to ignore
17 them entirely.

18 In terms of our community's position, there
19 are legitimate differences in the cost of Anthem water due
20 to, one, our state-of-the-art system for delivering water
21 from the Central Arizona Project, or CAP; secondly, higher
22 costs associated with meeting more current construction
23 codes given the newness of our community, and thirdly,
24 more recent construction costs reflecting higher
25 inflation. For these reasons we would expect to pay more.

1 I think the question is how much more.

2 However, when we look at a 32.45 percent
3 proposed increase in water and sewer during a period of
4 11.9 percent increase in inflation, this seems
5 inequitable. Requesting this increase over the highest
6 base rate in the area and one that is 123 percent higher
7 than the average of other area rates seems inappropriate.

8 The Commission and RUCO staff are appropriate
9 reviewers. They have the expertise, the depth, and the
10 breadth to assess a very complex rate regulatory structure
11 and to make an appropriate recommendation to the
12 Commission for consideration. They have looked at the
13 capacity, the capital, and the cost allocation to
14 establish the base rate and arrive at a current rate
15 employing the rate-setting methodology that has been used
16 in Arizona historically.

17 We support both the Commission Staff's and
18 RUCO staff's proposed, one, denial of the application
19 based on its lack of quality or reduction in our rates
20 based on the thorough audit and review as recommended by
21 both staffs.

22 Granting any increase rewards the inaccurate
23 or potentially incompetent or derisive initial Citizen's
24 Water rate request and subsequent acceptance of these
25 rates by Arizona-American Water Company at the time of

1 their acquisition of the Citizen's company. Also any such
2 increase is not warranted nor supported by analysis.

3 In terms of the adjustments that Staff has
4 recommended, Staff's major recommendations can be grouped
5 into three major areas: One, the eliminated duplicate
6 inflation recovery requested through disallowing current
7 replacement costs valuation, as you refer to RCND
8 valuation of assets, versus the use of the historical
9 basis of purchase cost of those assets, and allowed
10 proposed return on equity to cover this inflation to avoid
11 double counting.

12 They eliminated recovery of the water company
13 acquisition premium for its purchase of the Citizen's
14 Water Company, a wholly inappropriate request, given no
15 improvement in distribution efficiency or value added
16 other than paying a premium to acquire assets that were
17 producing a public good. They applied actual real water
18 company -- they applied the actual real cost of the
19 Arizona-American Water Company instead of estimated and/or
20 Citizen's Water Company historical cost to achieve a
21 consistent basis.

22 In my formal surrebuttal testimony, my
23 rationale fully sets forth to support Staff's proposed
24 adjustments. In a word, the quality of the application is
25 appalling and, when proper state methodology is applied,

1 the conclusion is straightforward.

2 Just a word on the rate of return. That seems
3 to be the most contentious thing in the surrebuttal
4 presently.

5 Staff recommended the use of CAPM, for
6 developing an appropriate rate of return. CAPM is the
7 accepted foundation of modern capital market theory and
8 pragmatically used daily in the markets, including things
9 like Black Shoals valuations and other vehicles for
10 pricing real market assets.

11 CAPM is a logical, appropriate foundation for
12 the Arizona rate setting. In a low inflation environment,
13 the return of equity required to attract market capital is
14 lower, as is total return, for the following reasons:

15 One, inflation is the major component
16 affecting the nominal rate of return. Secondly, public
17 utilities are legal monopolies with relatively stable
18 income, therefore requiring a lower true rate of return,
19 assuming good management.

20 Therefore, we support Staff's application of
21 Arizona methodology for determining ROE and rates they
22 suggest in promulgating the water rate. The rationale
23 fully supporting this is in my surrebuttal testimony.

24 In conclusion, I am not paid to be here. I am
25 simply a resident who gives a damn. The reality is the

1 interest we have in this community is in setting the
2 foundation for the future, not only for the adults but the
3 children.

4 Anthem is diverse, it is a growing community
5 that consists of those starting out trying to make ends
6 meet to those on a fixed income. The appearance of
7 affluence can be deceptive.

8 Del Webb, based on detailed audits, have been
9 responsible citizens, having transferred appropriate
10 assets to meet the capacity needs at a fair market price.
11 Also the audits supported the fact that they have
12 underwritten potential excess capacity due to downsizing
13 the number of home units in the community from the
14 original plan by direct equity contributions that
15 otherwise would have been borne by Anthem residents.

16 I think it is worth it to acknowledge the
17 positive along with comments sometimes on the negative.
18 We realize the Commission is bound by established
19 methodology in setting rates to allow a fair return. We
20 are willing to pay our fair share. But it would be a
21 travesty to grant windfall not supported by established
22 methodologies.

23 Further, we remain appalled by the
24 application's quality and resulting cost of ratepayers for
25 Staff time to unravel the mess in putting together an

1 application that did not follow clearly stated
2 methodology.

3 We urge the Commission to consider and support
4 the Staff recommendation in rendering its final decision
5 on our community's rates. Please support your
6 constituency by making the right decision.

7 Thank you.

8 CHMN. SPITZER: Mr. Grimmelmann, perhaps you
9 should make a career in seeking public office.

10 Do we have any questions?

11 Thank you very much, Frank. Appreciate it.

12 Honey Bartsch?

13 MS. BARTSCH: Good evening. I'm trying to not
14 sound too hoarse but I was greeting everyone.

15 First of all, I want to thank you for coming
16 up to Anthem. In the brief three years that we have
17 resided here in Arizona we find sometimes the meetings for
18 public hearings aren't necessarily in our backyard. And
19 we are a large community. And we have a large section of
20 young families, young adults starting out, retirees and
21 all the empty nesters. And they are working and running
22 other places. And sometimes a 6:00 meeting downtown is
23 not necessarily convenient. So I thank you on behalf of
24 all of us for coming down here because this gives us a
25 chance to express ourselves and to have a shot.

1 I also want to take a moment to thank my other
2 neighbors and the people who live here in Anthem. You
3 guys have been splendid. I personally want to thank you
4 from the bottom of my heart. You have proven to me and
5 everyone in the community, and we are a community and
6 whether we are incorporated or unincorporated doesn't make
7 any difference, we are the neighborhood and I thank you
8 for being here tonight. Thank you very much.

9 And I want to take a moment to thank Frank.
10 Your report was so intense. And I know how much work you
11 put into it. And many of us wouldn't have begun to tackle
12 the finances involved. So thank you very much taking the
13 time to look at the financing and preparing the summary.
14 Thank you again.

15 I think what I want to say to the Commission
16 is I agree you have been given a mandate. And I put my
17 trust, I put the trust of everybody in this audience into
18 your hands. You know by your definition as to what you
19 must do, and we trust that you will do a very capable job.

20 We only ask that you look upon it in a very
21 fair and equitable manner. We, many of us, came in, it
22 was Citizen's Water. And then it was bought by
23 Arizona-American.

24 Having come out of the corporate world, I know
25 what due diligence is. I know and feel a good deal of

1 their argument was possibly a lack of due diligence on
2 their part. We all, as corporations, like to be
3 profitable.

4 I wasn't in the utility industry, but I was in
5 banking which is also a regulated industry. And we are
6 responsible to look at the reviews of the financials and
7 make the appropriate decisions and pose the appropriate
8 questions. We are hoping that that mandate will be
9 handled most competently by you.

10 I will repeat as Frank did. We have a young
11 community. And in many instances, the young families
12 can't even afford the smallest, minute amount of increases
13 to their taxes, they run that close of budget. I think if
14 the state continues to grow and support the communities
15 coming in, they have to keep in mind that, even though
16 there is inflation, we too as the consumers, we too as
17 residents in Arizona are also limited by what our income
18 is able to provide.

19 I would certainly hope that the State would
20 not be short sided to cause people to leave the state
21 because we can't afford to live here. And, again, I trust
22 the Commission will take that into account as well.

23 Again, thank you so very, very much. It fills
24 my heart with great pride to be here as an Anthem
25 resident. And thank you very much for giving me a moment

1 to talk.

2 CHMN. SPITZER: Thank you very much,
3 Mrs. Bartsch. The Chair will recognize Carl Young.

4 MR. YOUNG: Honey, thank you. I thank all the
5 members for their participation. And indeed I added to
6 the help and formation of it. Then I retired from it. So
7 I am appearing just as Carl Young, a resident of Anthem.

8 I am also listed as an intervenor. I don't
9 plan on offering testimony at the hearing. I also lack
10 the technical expertise to provide information as Frank
11 has. I am very happy Frank has been a part of this. He
12 brings something to the floor that many of us, perhaps
13 most of us, don't have to offer.

14 So my reason for appearing is not to provide
15 technical information. It is to provide the other half
16 which isn't what people like to hear, and that's the
17 emotional side of the issue. And, basically, I am going
18 to depart from my written remarks because they were nasty,
19 which is pretty typical of what my remarks are, and just
20 provide some background.

21 I think there is an issue here of honesty. I
22 think that Arizona-American is asking for a rate increase
23 that is inflated. It is inflated for the purpose of
24 getting the Commission to provide a decrease from what
25 they are asking for but an increase above what they are

1 entitled to.

2 Again, I cannot read the testimony. I cannot
3 read what the testimony and the rebuttal and the
4 surrebuttal is with the same expertise as you. But I have
5 read them as they relate to Anthem. And I can tell you
6 that there is a lot of wool being pulled over somebody's
7 eyes. Okay. That's with the rate increase.

8 We have something new that doesn't relate to
9 the rate increase. I understand that it goes to the issue
10 of honesty. This is the filter that came out of my RO
11 system. It is brown. It is the seventh filter that has
12 been in my system. This is the first one that came out
13 brown.

14 So I call your attention to this recent
15 episode of describing by Arizona-American of discolored
16 and malodorous water as first a flushing of hydrants, then
17 we were told it was a short-term problem and then we were
18 told it was an annual problem with algae out of the
19 Colorado River. In four seasons being here, this is the
20 first occasion that I have seen this occur. This is the
21 first filter that has come out brown.

22 I have to question whether the next rate
23 increase request, which you will receive next November
24 because that's the time when they can again apply, and
25 they will apply again, you will see an increase most

1 likely for the chemical costs to treat the water that is
2 now dirty. And my question is whether or not this is a
3 natural event. Now, I know what that sounds like and I am
4 not going to make an open accusation, but I have to wonder
5 what is going on with the water.

6 And then there is the process of accepting no
7 business costs to the company, bypassing to customers the
8 bills for setting up booths at community events, mailings,
9 and even the meetings that they set up. We as customers
10 have to pay for those things. It is to pay to hear us
11 talk to ourselves. That doesn't make a lot of sense.

12 Why are investors without risk? Why are they
13 guaranteed a bountiful return despite the wastefulness and
14 incompetence of a company? That makes no sense.

15 American doesn't increase an -- deserve an
16 increase. I know it is your role -- it is not your role
17 to punish them for grief. But the Commission should
18 sanction them by their behaviors by whatever methods the
19 law allows. And I am dealing with you on moral grounds.
20 I know you must make a business decision, but I am
21 appealing to you to include integrity and morality in that
22 decision. I for one have had enough of Enrons, enough of
23 Jim Irvins, enough greed-seeking oafs. I am seeking that
24 the ACC join me in holding Arizona-American liable for
25 honesty.

1 Thank you.

2 CHMN. SPITZER: The Chair will recognize
3 Commissioner Gleason for a comment.

4 COM. GLEASON: Yes, sir. Would you be willing
5 to surrender that thing to Arizona-American? I think if
6 we pass it to Arizona-American we can probably get some
7 information out of it. Thank you.

8 MR. YOUNG: Thank you.

9 COM. GLEASON: I neglected one other thing.
10 My advisor is sitting up here. Stand up, Jody. This is
11 Jody Jerich. Her father and mother live out here. So she
12 is out to visit them. Thank you.

13 A VOICE: Would you like a thousand more of
14 those filters?

15 CHMN. SPITZER: The Chair will recognize
16 Janice Samar.

17 MS. SAMAR: Hello. Thank you, Commissioners.

18 I have two questions that I am interested in.
19 And the first is: Has the company, the Arizona-American
20 Water Company, ever spelled out how they arrived at the
21 amounts that they did? Was it, as Frank asked, according
22 to methodologies that were in fact used for past years or
23 did they just invent something, as Carl may have alluded
24 to, Enron ease?

25 The other thing I want to do is ask the

1 Commission: We have water meters out here. And our water
2 rates are based on how much, they are not the rates, but
3 how much we pay is based on how much water passes through
4 that meter. We are told that our wastewater amounts are
5 also based upon what clean water comes through those
6 meters.

7 Now, every one of us that moved out here in
8 Anthem were told that we had to plant certain numbers of
9 things in our yard, trees, shrubbery, little plants. And
10 we have to water them all the time, but they are on
11 meters -- I mean they are on timers.

12 Now, a lot of that water then that we are
13 being charged for that comes in, which is natural, does
14 not go back out to the sewer system. Why don't we have
15 meters to accurately reflect how much is going out of our
16 homes? Because whatever rates we are paying for
17 wastewater do not reflect water that is coming in. And I
18 wish that you would ask the company those questions.

19 CHMN. SPITZER: Thank you very much.

20 Jerry Griven is recognized.

21 MR. GRIVEN: I will pass.

22 CHMN. SPITZER: Mr. Griven passes.

23 The Chair will recognize Mr. Ray Kelly.

24 MR. KELLY: I will pass.

25 CHMN. SPITZER: Thank you, Mr. Kelly.

1 The Chair will recognize Mr. Jeff Black.

2 COM. MUNDELL: Mr. Chairman, are the people
3 that passed, could you just indicate whether they support
4 what their position is? They may not have wanted to
5 speak.

6 CHMN. SPITZER: Okay. Thank you,
7 Commissioner.

8 Mr. Griven, it is about profits, a
9 hundred percent more than other areas being considered.
10 And there is no block to say oppose or support. Mr. Kelly
11 just said ready.

12 So thank you.

13 Mr. Black? He left, okay. Thank you.

14 Tony DeHerrera? Tony DeHerrera?

15 COM. MUNDELL: The other thing, maybe saying
16 who is on deck so they can be ready to go.

17 CHMN. SPITZER: Good idea.

18 Martha Goad is next.

19 MR. DeHERRERA: Good evening, Commissioners.
20 Most everything I have to say to you people has already
21 been said. I would like to invite you people to come out
22 to do a load of wash in my washing machine. My clothes --

23 CHMN. SPITZER: Mr. DeHerrera, I think some
24 people are having trouble hearing you.

25 MR. DeHERRERA: My clothes, after coming out

1 of that washing machine, smell worse than when they went
2 in. Me and my wife are paying about 35 to 38 percent more
3 for water and sewer than we were in Phoenix for water,
4 sewer and streets.

5 And that's about all I have to say. Thank you
6 very much.

7 CHMN. SPITZER: Thank you.

8 MS. GOAD: Hello. I am Martha Goad. And I
9 have lived in Anthem now for about three and a half years.
10 I have lived in Arizona, though, for 30 years.

11 And I wanted to tell you that the place I
12 lived before, my rates here for the basic service are
13 almost exactly the same as it was in the other cities but
14 the other cities included water, sewer, and trash pickup.
15 So I feel that, you know, something is not correct on the
16 calculations of the basic service alone, much less the
17 regular service.

18 And my husband and I are both very, very water
19 conscious. We come from Colorado, which about 30 years
20 ago was very water conscious. We don't have a pool. We
21 don't have a lawn. But yet our water bill is extremely
22 high compared to other locations that we have lived in the
23 Valley. And I would really appreciate your commitment to
24 make sure that it is reasonable and it is rational. And
25 we hope to retire here and live a very good life, but that

1 would be on a fixed income so it has to be reasonable
2 water rates.

3 Thank you.

4 CHMN. SPITZER: Jim Junker?

5 Commissioner Hatch-Miller, you wish to say
6 something?

7 COM. HATCH-MILLER: No.

8 CHMN. SPITZER: Jim Junker. And then after,
9 Monica Bandelier or Bandelier.

10 MR. JUNKER: I want to first thank you for
11 taking the time to meet with us here tonight. My wife and
12 I lived in four other homes in Scottsdale before we moved
13 to Anthem.

14 And I don't have the same command of the
15 statistics and facts that the intervenors, that some of
16 the other speakers have tonight, but it seems to me that
17 this is an issue that involves common sense as a starting
18 point.

19 The former homes that my wife and I lived in
20 prior to moving to Anthem, the rates included water,
21 sewer, and garbage pickup. Like the speaker before me,
22 the rates were considerably lower than what they are in
23 Anthem.

24 When we first moved to Anthem and started
25 getting water bills, my wife and I assumed we had a water

1 leak. We looked at that issue first. When that was.
2 eliminated as a cause of the water rates, we started doing
3 some other research.

4 Like I mentioned, I don't have the command of
5 the facts and statistics of other speakers, but the
6 intervenors that first spoke, we indicated to the
7 Commission that the water district here is charging
8 123 percent more than average of other water districts.
9 That's a starting base. Now they are asking for a 32 or
10 33 percent rate increase.

11 Just common sense would tell you if
12 Arizona-American is as efficient as other water districts,
13 the rate increase is inappropriate. The only logical
14 explanation is that Arizona-American is inefficient or
15 incompetent or both.

16 This is an exploding community. This
17 community is exploding. Within several years it is going
18 to be the size of Flagstaff, 50 or 60,000 people or more.
19 It would appear that what Arizona-American is trying to do
20 is pass the cost of the infrastructure and the product
21 that they sell to the consumers here to a small base of
22 residents. Well, that base, Ladies and Gentlemen and the
23 Commission, is going to grow dramatically in the next five
24 or six years. The cost per resident relating to the
25 infrastructure is going to decrease down substantially

1 because of the explosion of the population.

2 When the water company was first built, it
3 cost X number of dollars. We had a limited population
4 base at that time and it was very expensive per person.
5 But as this population grows, the cost per person will go
6 down proportionately. Arizona-American is asking for a
7 huge increase now to line their pockets. The increase
8 request is not appropriate. I would join in the
9 intervenors and ask that the request for increase not only
10 be turned down but that the water rates be decreased.

11 Thank you.

12 CHMN. SPITZER: Thank you.

13 While Monica Bandelier is making her way up,
14 Commissioner Mayes.

15 COM. MAYES: Mr. Junker, can I ask you a quick
16 question? Do you have some of the same concerns as some
17 other folks about the quality of the water and the quality
18 of the customer service?

19 MR. JUNKER: Well, one point I neglected to
20 raise -- let me answer your question first. The, I guess
21 the quality of water is not what we experienced when we
22 were in Phoenix and in Scottsdale. It just doesn't taste
23 as good. And we have an RO system.

24 The point I neglected to add, or add, was we
25 live in Anthem Country Club. And so I am speaking from my

1 perspective as a country club partner rather than a park
2 side member. And I can tell you that one charge that
3 country club members sustain is an additional \$13 fee that
4 park side residents don't.

5 And the reason for this is, and correct me if
6 I am wrong, but the waterline to homes in park side, I
7 believe, is a five-inch instrument in diameter where in
8 the country club it is one-inch diameter.

9 Now, the need apparently for the greater
10 diameter water hose is because of the sprinkler systems
11 that are in the Anthem homes where they are not present in
12 the park side homes.

13 \$13 a month for the additional size of
14 waterline is incredible. Several months ago I went on a
15 website and I was looking at other water district rates.
16 And other water districts were charging per month anywhere
17 from 75 cents to \$1.50 per month increase for a water line
18 going from five-eighths to one inch. Arizona-American
19 wanted \$13 a month. That's about 1500 percent. That's
20 absurd.

21 Thank you.

22 CHMN. SPITZER: Thank you very much.

23 Monica?

24 MS. BANDELIER: Thank you. I am here as a
25 consumer as well as a resident. The reason that I do not

1 approve of the rate increase, I already feel I am paying
2 more in the base minimum.

3 Like the people before me, I did move from the
4 City of Scottsdale, but had City of Phoenix water. Not
5 only did it include trash, but you have to consider I paid
6 \$38 a month, had 2000 square feet of grass, about 25 trees
7 on the property. Here I have zero grass and I have three
8 trees, one, two, three, for \$70.

9 The other reason I know I am paying more than
10 I am using, my parents came to stay with me for a month in
11 March. That increased showers by two a day. The
12 dishwasher ran every day rather than seven to ten days.
13 And laundry increased possibly six days a week. My water
14 bill went up \$4, that's all. That tells me my \$70 I am
15 already paying I am not using.

16 Thank you.

17 CHMN. SPITZER: Thank you.

18 The Chair will recognize Mr. Bill Gilbert for
19 an important matter that is not directly related. But you
20 can talk about the case too, if you wish.

21 MR. GILBERT: Thank you, Mr. Chairman.

22 Appreciate your time very much.

23 I got a letter from the Jacobs Company, that
24 is doing an I-17 widening study, a couple days ago. And I
25 hardly have time to make enough copies for everyone here.

1 I probably would have underestimated by a lot. So I asked
2 the Chairman for this brief opportunity to speak before
3 you to tell you what I know about it and to tell you where
4 you can go to get more information. And that's the reason
5 I am up here tonight. I think everyone else has already
6 beat me to the punch on the liquidity here.

7 The second issue that we have here, and just
8 about as important as the water, is our highway. And we
9 also suffer through it on weekends. We suffer through it
10 at rush hour. And we suffer through it if there is an
11 accident. So I have been trying to stay close to this.

12 I attended a meeting last year about the
13 expansion, who I know some of you were there, many not.
14 But I thought I would just offer this.

15 Since I am on their mailing list, I get these
16 mailings. And I am going to be posting the information
17 that they have sent to me on a website that I put up that
18 most of you or many of you have already been to called --
19 well, I won't tell you get a piece of paper and write this
20 down and send it to your neighbors too.

21 Basically, this new highway expansion won't be
22 finished for probably five years, if then. The plan is
23 for them to make the highway as wide as it is at Bell Road
24 all the way to New River. This will help everyone. It
25 will be an HOV lane. They are going to expand the highway

1 at Carefree Highway. They will probably put two more
2 interchanges between Carefree Highway and the Happy Valley
3 Road exit.

4 We have already done a good bit here to help
5 alleviate traffic jams but it certainly doesn't help down
6 here. So here is the address where you can go. I have
7 got about half a dozen pages from the Jacobs Engineering
8 and AZDOT so I am going to put thses on the website. It
9 is really simply daisymountaincrossroads, all one word,
10 daisymountaincrossroads dot org.

11 You will find a lot of stuff up there about
12 the water company. We will keep it posted about the
13 results of what the Commission may rule on. And there is
14 a lot of comments from Frank that he wasn't able to bring
15 to the floor today. And there is a lot of information
16 about the water companies that have been privatized in the
17 past and what a disaster that has been. So we are very
18 much with you on all of this and I hope that you will find
19 the I-17 information useful to you in the future.

20 Thank you very much.

21 CHMN. SPITZER: Thank you, Mr. Gilbert.

22 The Chair will recognize David Harden.

23 MR. HARDEN: Good evening. Thank you for
24 allowing us to be here. I submitted a page of written
25 questions with my request to speak, but in the absence of

1 having those before me, a few questions I have with me
2 that bear looking at is the concern about the process by
3 which American Water will utilize the rate increase for
4 increasing the benefits and the quality of service to the
5 community.

6 Another question deals with what is in the
7 Commission's purview to analyze the rate increase in
8 relation to the producer price and consumer price indexes.

9 And, also, concerning Del Webb's submission of
10 their planned community, the community as it was first
11 established, have there been any studies done in relation
12 to this rate increase to identify whether or not Del
13 Webb's application was substandard, or otherwise have the
14 conditions changed so drastically to require such a large
15 increase in the water rates?

16 And another question that I had deals with the
17 recent merger of Arizona-American Water with American
18 Water Works and I can't remember the name of the other
19 company, but it is a German company for public utilities,
20 whether there is any correlation with the rate increase
21 proposal and the recent merger. And specifically, the
22 board, the Commission's opinion by the Administrative Law
23 Judge back in August of 2002, the Staff had made several
24 proposals and conditions to the Staff of American Water,
25 which I won't go into real detail, but some concern that

1 Arizona-American release their books for review. They
2 apparently had determined that was not a necessary item or
3 condition for the merger request. And also they had
4 stated in the conditions of a future rate proceeding that
5 the merger would not be a condition on which the rates
6 would be increased. So I would ask the board to at least
7 look into those issues in the future when they have their
8 hearing in December.

9 And the last question is: When is the
10 deadline for the public to submit written comments and
11 written questions before the hearing in December?

12 CHMN. SPITZER: Mr. Harden, I will respond to
13 the questions. I think it is appropriate to do so.

14 And there are many rules that govern the
15 conduct of the Commissioners in terms of an ex parte rule.
16 We don't meet with companies or people who appear in front
17 of us unless it has been noticed and at a public forum in
18 which everyone can attend. There are various other rules.
19 And I point out that all five Commissioners present now
20 are very studious and serious about following the rules.

21 There is another rule that really goes to the
22 heart of the judicial process that are articulated, which
23 is not to address a matter that is likely to come before
24 us as the judge. It would be unfair and prejudicial to
25 decide on the merits. And some of the questions go to the

1 merits of the case. And that is going to be what the
2 parties, including Mr. Grimmelmann and others, will be,
3 have already, and the Staff and RUCO, have already
4 propounded questions and submitted testimony on those
5 precise points.

6 So our response on those issues would not be
7 appropriate. It would be violative of the judicial,
8 non -- not prejudging the case.

9 I will say that the application for an
10 increase was filed on November 25th, 2002. And you asked
11 what is the deadline for Anthem residents to file his or
12 her public opinion and written questions to the Commission
13 concerning the proposed rate request.

14 Public comment includes this evening's session
15 in which everything said is being transcribed by the court
16 reporter and entered into the record. In addition, folks
17 may e-mail the Commission and/or website at
18 www.cc.state.az.us. And any search engine will call up
19 the Commission. You can e-mail Commissioners individually
20 as well from that forum. And those are typically received
21 by us, reviewed and then we file those in the docket. So
22 they become of public record and a part of the docket in
23 the case. And that is an appropriate way of communicating
24 with the Commission.

25 There is no deadline to submit those

1 materials. Mr. Grimmelmann and others have intervened,
2 Mr. Ahearn representing RUCO. And I won't speak for the
3 Administrative Law Judge, the Administrative Law Judge
4 decides whether to let parties intervene in the
5 proceedings, but the rule is leave to intervene is freely
6 granted.

7 Now, probably if you show up the day of the
8 hearing and you wish to intervene, it might unfairly
9 prejudice the parties who intervened earlier. That is
10 another matter. Mr. Grimmelmann, or someone who is an
11 intervenor, you may find it appropriate to communicate
12 with him if you have questions that you wish to be
13 propounded to some of the witnesses at the hearing.

14 So there are many avenues for citizens, not
15 just this evening, but throughout the entire course of our
16 deliberations, including attending the open meeting that
17 would be scheduled for ultimate deliberation of this case.

18 I hope that's satisfactory.

19 MR. HARDEN: Yes, it is. I must say your
20 website is very informative. It provides a lot of
21 information for everybody to look at, the goals. I
22 suggest you all take a look at it. It will provide all
23 the helpful information about the rate increase as well.

24 Thank you very much.

25 CHMN. SPITZER: We have one last slip of

1 someone who neglected a name but said they wished to
2 speak. And I don't want to give out an address but
3 someone on West Morse Court. Did someone fill out a slip
4 from West Morse Court who wishes to speak?

5 We have a number of individuals who submitted
6 slips in opposition to the rate increase who did not wish
7 to speak. And if you do wish to speak, you changed your
8 mind, you may feel free to do so. But I wanted to
9 recognize the individuals who did take the time to fill
10 out the slip.

11 Larry Evans?

12 MR. EVANS: Pass.

13 CHMN. SPITZER: Willine Evans?

14 MS. EVANS: Pass.

15 CHMN. SPITZER: Charles Carlise?

16 David Speranza?

17 A VOICE: Pass.

18 CHMN. SPITZER: Al Bakas?

19 Alan Stuart?

20 Mary Hobin?

21 MS. HOBIN: Pass.

22 CHMN. SPITZER: And that completes the list of
23 slips. If there is anyone who wishes to come forward, for
24 the court reporter to transcribe accurately, we do need a
25 written slip to be filled out, but if someone wishes to

1 come forward, come forward to the --

2 MR. YOUNG: Thank you for a second opportunity
3 to speak. In regard to the filter that Mr. Gleason now
4 has, I had spoken to Arizona-American, with several
5 representatives. And they assured me that the health
6 department had reviewed the quality of the water.

7 Not only is it a current concern for all of us
8 but it was a past concern and will certainly be a future
9 concern. I think we as a community would like some
10 validation that the department of health and/or any other
11 agency that controls safety, consumption of water, that we
12 might be able to see published in the paper or on a
13 website some validation that what we are consuming is good
14 for us. Because, as I said, we all have to have some
15 contact with water whether it is internally or externally.
16 And I for one do not have a comfort level.

17 So thank you again for allowing me to mention
18 that.

19 CHMN. SPITZER: The Chair will recognize
20 Commissioner Mayes regarding the water quality.

21 COM. MAYES: To that point, I just want to let
22 you know that we will be contacting the appropriate folks
23 to -- I think maybe ADEQ should be contacted and the
24 Department of Health. But we appreciate that.

25 COM. MUNDELL: Just to follow up on that,

1 again this is Commissioner Mundell, we as a routine
2 provision in our orders now, whenever we review a rate
3 case and make a determination on a rate case, we always
4 include a provision in the order that the company is in
5 compliance with the Clean Water and Safe Drinking Water
6 Acts. That is something that we started doing.

7 And we don't have primary jurisdiction over
8 that. As Commissioner Mayes said, the Department of
9 Environmental Quality does. But we have coordinated our
10 efforts. And again that's one of the benefits of these
11 public comments, is that we hear things that we might not
12 otherwise know about and we couldn't take action on.

13 So, as she said, we will notify DEQ of your
14 concerns and then also when this matter is ultimately
15 decided up, down sideways, whatever we do, there is a
16 provision that we put in there requiring them to be in
17 compliance with the safe, clean water drinking acts.

18 CHMN. SPITZER: Thank you.

19 Richard Lindner?

20 MR. LINDNER: Thank you. I wanted to join
21 the, my fellow residents here in Anthem and thank you for
22 letting us all comment.

23 I experienced something with Arizona Water,
24 Arizona-American Water Company initially, upon becoming a
25 resident that I don't know if anyone else has.

1 or that kind of megalopoly, excuse me.

2 The person that I spoke to could not have been
3 ruder as far as customer service. She said: I am sorry,
4 we will have to contact somebody. She said: The reason
5 your water has been shut off is because after the third or
6 fourth day Anthem, as the developer, will no longer pay
7 for the water, and, if you are, if you have not made
8 arrangements to sign -- I said I did that. I said I have
9 a customer service number. I said we did make a, you
10 know, give all the information necessary.

11 Well, it took until the next morning to get
12 the water turned back on. So I was, needless to say,
13 pretty upset about it. I called and asked to speak to one
14 of their supervisors.

15 I said: We just moved down here. We have no
16 landscaping on this property. What would you have done if
17 I had been out of town and I had \$15,000 worth of
18 landscape here in the middle of July and the water had
19 been off for a week? I said I would be suing something.

20 She said: That's your problem. She said: We
21 don't have, we don't bear any responsibility for that
22 situation.

23 So I said: Well, do you have any sort of a
24 customer service department, any sort of a complaint
25 department, any department where somebody takes care of

1 this kind of problem?

2 She said: No. We have a local representative
3 out there that turns the water on and off. She said: If
4 you have any comments or questions, you have to call the
5 800 number and get somebody in Indiana.

6 I don't know if anybody had that sort of
7 dealing with them. But my first impression is they are a
8 crappy company when it comes to taking care of their
9 customers.

10 CHMN. SPITZER: I would point out that the
11 issue of water quality, as Commissioner Mundell pointed
12 out, is one where the Commission shares jurisdiction with
13 the state and county governments.

14 The issue of customer service and billing is
15 exclusively within the domain of the Commission. And
16 matters regarding water quality we do take seriously, we
17 take serious. And issues regarding quality of service
18 such as described by Mr. Lindner are always an appropriate
19 time to communicate with the Commission regarding those
20 issues whether there is a rate case or not. So there does
21 not need to be a rate case before the Commission.

22 And this goes for any utility regulated by the
23 Commission, electric, natural gas, water, telephone. We
24 are in the business of, as I stated, providing reliable
25 utility services to the people of Arizona. And bad

1 customer service is not acceptable and the Commission does
2 not accept it. And we work very hard to see that those
3 matters are dealt with. So I thank you for bringing those
4 to our attention.

5 John Balzer?

6 MR. BALZER: Thank you very much for giving me
7 the opportunity to speak tonight.

8 Since we are on the subject of quality of
9 service and water, there is one other issue that I
10 noticed. I have been a resident of Anthem since August of
11 1999. So I have seen the whole growth and all the issues
12 that have come up since then.

13 But concerning the water, I have been told by
14 water experts that pressure is a consideration in any kind
15 of water system. And that if you don't have enough
16 pressure in the water system, that it can be a health
17 hazard because water could be siphoned back into the
18 system, it may be polluted.

19 What we experience here in Anthem, and I am
20 here during the day and it is very noticeable when this
21 happens, is you will be using a hose in your yard and all
22 of a sudden, the pressure just drops to almost nothing
23 and you are standing there with a hose as water is
24 dribbling out for 30 seconds, 45 seconds, whatever. And
25 then it will come back up again.

1 And I don't know the reason for it. There may
2 be a very good explanation. But I have never lived
3 anywhere where that was a problem. When someone calls
4 themselves a water company, they have to maintain the
5 pressure in the system.

6 I grew up in California. We had to have
7 valves on our system to keep the pressure at 50 pounds,
8 because it was way to high coming to our lot. We don't
9 have that in Arizona anywhere I have lived. But like I
10 say, in Anthem I have experienced this quite often. I am
11 not out there every day but, you know, it happens quite
12 often when I am using the water supply. It happens in the
13 shower, too. But, you know, the hose is more noticeable.

14 So that's all I wanted right now. That's a
15 little different subject on the water quality.

16 CHMN. SPITZER: Thank you.

17 Commissioner Hatch-Miller?

18 COM. HATCH-MILLER: Mr. Balzer, has this
19 problem of water pressure existed since you were first
20 here in 1999 or is it a newer problem?

21 MR. BALZER: Well, relative to the four plus
22 years I have been here I would say it has happened the
23 last two years. And I don't know what happens in the
24 middle of the night, but it is definitely my experience it
25 has been more during the daytime, middle of the day type

1 of thing.

2 COM. HATCH-MILLER: Thank you.

3 CHMN. SPITZER: Thank you.

4 Mr. Lackmiller?

5 MR. LACKMILLER: Thank you for the opportunity
6 to address you.

7 I have two concerns. One is the question of
8 the water rates being too high. They are about almost
9 double of where the community that I came from previously.
10 And secondly, when I arrived at Anthem and started
11 receiving bills from the Arizona-American Water Company,
12 they were grossly enlarged. And I called the 800 number
13 in Illinois, or wherever it was, to inquire about that.
14 And they were charging me a fixed rate of \$16 with no
15 addition for the wastewater but they were charging me for
16 about 65 days. And I asked the lady what month has 65
17 days in it.

18 And they corrected the bills, but after a
19 period of about six months. Then they finally caught up
20 with reality and said that my bill in fact should include
21 not \$2 per thousand gallons but \$4 per thousand gallons
22 delivered, even though most of it was going, as the
23 gentleman before said, to water plants. So the manager in
24 Illinois said that, since I lived in the new section of
25 Anthem, that the wastewater rates there were fixed \$16

1 a month, but the people who sent out the bills didn't
2 agree with that.

3 Thank you.

4 CHMN. SPITZER: Chairman Mundell?

5 COM. MUNDELL: Sir, I just had a quick
6 question for you. I wasn't clear. Were you refunded any
7 money you were owed or do we need to look into that for
8 you? I mean obviously it is not 65 days in a month and I
9 don't know if they --

10 MR. LACKMILLER: I was able to get the bill --

11 COM. MUNDELL: Okay.

12 MR. LACKMILLER: -- adjusted but I was calling
13 in each month because of an inaccurate bill.

14 COM. MUNDELL: I just wanted to make sure they
15 still didn't owe you money.

16 MR. LACKMILLER: No.

17 CHMN. SPITZER: Thank you very much.

18 A VOICE: I concur. I had the same problem.

19 CHMN. SPITZER: Was there anyone else who
20 wishes to speak?

21 COM. HATCH-MILLER: Gentleman in the back.

22 CHMN. SPITZER: Sir? We ask you to fill out a
23 slip. Oh, okay.

24 MR. DeHERRERA: Thank you for letting me come
25 up here again. I want to back up this gentleman's, the

1 one that had the problem with the customer service. I
2 called them on the quality of the water. And they
3 basically told me it wasn't their problem.

4 CHMN. SPITZER: It is very interesting that we
5 would not get that answer. I can assure you.

6 MR. DeHERRERA: They told me if I had a
7 problem with them to take it up with Anthem, with the
8 customer service people up here in Anthem. I called
9 customer service in Anthem and they were told by the water
10 company that this was a yearly thing. It is not a yearly
11 thing. I have never seen water like this in my life.

12 CHMN. SPITZER: Mr. Hatch-Miller?

13 COM. HATCH-MILLER: Mr. Herrera.

14 MR. DeHERRERA: DeHerrera.

15 COM. HATCH-MILLER: Mr. DeHerrera, I wanted to
16 see if there is anyone else in the room that has a problem
17 with the smellly clothes after washing them. Anybody?

18 Great. Thank you for your show of hands.

19 MR. DeHERRERA: That is a definite problem. I
20 have two water bills, one for the American Water Company
21 and the water that I have to buy to drink and cook with.
22 I won't use this water I can tell you that. Thank you
23 very much.

24 CHMN. SPITZER: Thank you.

25 Jan Samar again.

1 MS. SAMAR: Someone had mentioned the brown
2 water. One of the things I think would be helpful, when
3 the company is about to switch their -- and reverse the
4 way the water is flowing, if the company knows when it is
5 going to do that, could they print something in the paper.
6 Because I was about to throw my white clothes in the
7 washing machine one weekend and the water was brown. And
8 I thought, oh, someone is flushing the hydrant or
9 something. So I kept running it and running it, and it
10 stayed brown.

11 So I called the company. And I was told some
12 of what Mr. DeHerrera was told, wasn't really their
13 problem. And then I got someone else on the line and I
14 was told it was a yearly thing, when it goes from Lake
15 Pleasant out. And when it goes out into Lake Pleasant, it
16 changes, so twice a year we could expect this brown water.

17 Well, I would ask would they please tell us
18 when it is going to happen so we don't ruin our clothes.
19 I have some towels that I can't get that brown stain out
20 because that load had already gone out. It might be
21 healthy for us to use them but they look like blazes.

22 CHMN. SPITZER: Okay. And I would encourage
23 whoever has not yet spoken who wishes to to fill out a
24 slip. We have Staff over here and over here with the
25 slips.

1 Shane, Shane James?

2 MR. JAMES: Thank you for the opportunity to
3 speak. I wanted to just do a follow-up comment that a
4 gentleman previously had said when he was discussing the
5 five-eighths inch meter and one-inch meter.

6 I also have a one-inch meter but I am in the
7 park side location, I am not in the country club location.
8 And I also pay the same difference in rates that he does
9 even though I am in park side. Now, I am not sure. I pay
10 an extra \$13 a month. So I understand that water is paid
11 for based on volume, and yet I don't understand why people
12 with a larger meter pay more per month, because a thousand
13 gallons is a thousand gallons whether it goes through a
14 three-eighths hole or one-inch hole. So that's just what
15 I wanted to bring to your attention.

16 He made very good comments. And it is not
17 just a country club issue, it is also park side. And I
18 imagine it goes throughout the community.

19 CHMN. SPITZER: The issue with meters, there
20 is a cost for a larger meter. We live in the City of
21 Phoenix, our family. And we have a home in Prescott. But
22 in the City of Phoenix, they replaced five-eighths with a
23 one inch.

24 We have a fairly large lot. My wife insists
25 on a winter lawn. And she is a native. She wants a

1 winter lawn. So they did replace that. And in Phoenix
2 there was no charge. So that's the good news. And it was
3 at our option. But it was clear when I wanted it, when
4 they installed it, it is more expensive. There is both
5 the capital and operation. So there is a cost to a bigger
6 meter.

7 In our case, and it sounds like what one of
8 the issues is, if you don't need a one-inch meter, you
9 shouldn't be forced to pay for it. So there is a reason
10 to pay for it. In my case it was our choice to go to the
11 one inch. In our case we didn't have to pay for it. I
12 guess the bad news is we put a winter lawn in and we have
13 a \$150 bill and I can't complain.

14 MR. JAMES: I would complain.

15 CHMN. SPITZER: Some people have more power in
16 the house.

17 MR. JAMES: Some people have neighbors in the
18 neighborhood who have been converting theirs. They have
19 been calling, I imagine, Arizona-American to take out one
20 inch and put a five-eighths. And Arizona-American I
21 believe is doing that at no cost for them to lower the
22 cost.

23 CHMN. SPITZER: That should be made, what the
24 lady talked about, Mrs. Bartsch talked about, the issue to
25 the extent of the water quality is an annual problem and

1 the issue of people that don't want a one inch shouldn't
2 have to pay for the 13 bucks a month, should be able to
3 convert to five-eighths and have that \$13 removed, these
4 are the types of things that we encourage companies to
5 send out in their monthly billings. Because that way, if
6 we mandate that the company take out an ad in the
7 newspaper, in the Arizona Republic for example, it would
8 be very expensive, and if we mandate it, we have to allow
9 for the expense of the company, and the customers would be
10 paying for it.

11 So what we look to do is have the companies
12 notify the customers in a way to save the customers'
13 money. And the monthly billing is the time to do that
14 type of thing in terms of annual or semiannual events
15 where there is bad water. Because I agree, you ought to
16 have notice. I agree that this issue with this size of
17 the meter ought to be addressed and an option of the
18 ratepayer, and the ratepayer shouldn't pay for the 13
19 bucks a month that they are not using, that they don't
20 need.

21 And there are lots of other issues that we
22 have ordered the company to do in billings, and that seems
23 to have worked pretty well.

24 And I would point out again that to the extent
25 water quality is an issue, that's an issue totally apart

1 from a rate case and you don't need to have a rate case in
2 front of the Commission for citizens to demand what they
3 are entitled to, which is safe, reliable utility services.

4 MR. JAMES: Thank you.

5 And another thing, I don't think it was
6 mentioned tonight regarding water quality. It was my
7 understanding, about a few months ago they actually had a
8 chlorinator break down at Arizona-American and that lasted
9 for about eight hours. And so there was a short time
10 period where the water was not coming in chlorinated.
11 They did send notices to the residents. As well it was
12 posted in the community center.

13 But, again, how can something like that fall
14 along for so long without any kind of notification by
15 pager to someone?

16 So, anyway, thank you.

17 CHMN. SPITZER: Thank you.

18 Max Plotzeneder?

19 MR. PLOTZENEDER: Hello. I don't -- I just
20 came late so I don't know if it was mentioned already
21 about the water quality. I have lived six years in
22 Anthem. And the doors are all powder coated. And that's
23 the most durable finish we know at the moment. And since
24 about two months I notice that the water we have here
25 turns and changes the color of wrought iron doors, and

1 some chemical in it which makes them turn blue. And that
2 has been since two months. And it takes heavy engine
3 grease to get it off.

4 So something bad is in there which is not
5 healthy or good for us. I don't know what it is but maybe
6 you can research that and see what they are using.

7 CHMN. SPITZER: Thank you. We haven't had
8 comment on that. Thank you. Thank you very much.

9 MR. PLOTZENEDER: Okay. Thank you.

10 CHMN. SPITZER: The Chair will recognize
11 Commissioner Mayes. And maybe, if those, if there is
12 anybody else who has not yet spoken who wishes to.
13 Anybody else who has not spoken once?

14 A VOICE: I notice you are all drinking
15 bottled water.

16 CHMN. SPITZER: You don't know what I drink at
17 home. It is not water.

18 Mrs. Bartsch?

19 MS. BARTSCH: I appreciate the fact it has
20 been a long evening, but you talk about customer service
21 and perhaps I could be of some service to you.

22 When the issue of the dirty water, as the
23 community refers to it as was discussed among our network
24 and our websites and various websites here in Anthem,
25 consistent ly we were reading and hearing that every

1 customer who called was given a different answer. It is
2 happening because of this, it is happening because of
3 this, it is not really happening, you are imagining it.

4 When I finally called the customer service
5 representative, I shared those scenarios and little
6 anecdotal stories. I said I think, among anything else
7 that happened, and I think this is the point I want to
8 bring to the Commission, is that they failed one of the
9 most important requirements of any utility company, that
10 is communication.

11 If indeed they have, whether it is 20 customer
12 service reps or 20,000 customer service reps, it is
13 important, as they say, that the script be consistent.
14 There is no reason why one customer should be told one
15 thing and another customer told something else, regardless
16 what the answer is, and that they acknowledge that they
17 failed.

18 And if you would like to know the name, I
19 would be happy to call it to your office because I have
20 the notation at our home.

21 CHMN. SPITZER: In terms of communication with
22 the Commission, I would encourage that beyond this
23 evening. You are not, certainly not limited to this
24 evening.

25 Mr. Blattner?

1 MR. BLATTNER: I appreciate the opportunity to
2 speak. I have a few, just a question regarding the water
3 meters and why there is a surcharge for a larger water
4 meter.

5 I am a contractor. I install various sewer
6 water things. And isn't it just a fixed cost of the
7 difference in the size of the water meter or one kind of
8 cost, or wouldn't there be?

9 CHMN. SPITZER: Depending on the system, and
10 we have had this in rate cases and I don't want to -- I
11 want to be very clear I am not commenting on this
12 particular case, but in other cases larger meters are
13 generally for commercial or industrial and they take a
14 higher draw, and the Commission has articulated the
15 difference in charges between commercial and residential
16 and industrial uses. And that's a differentiation and
17 distinction in telecommunications. It is not just water.

18 And then the meter size, if you had large
19 numbers of people in a community where the water was a
20 scarce resource, some communities in northern Arizona
21 where there is a serious scarcity, you have homeowner X
22 who has got a small lot with very little landscaping with
23 a small meter, homeowner Y next door moves in and is
24 drawing down the water table for a pecan grove for
25 example, there is sort of an equity issue. And we want to

1 make sure that the interests of the residential ratepayers
2 are given primacy. So in any rate case there are
3 differentiations and distinctions among size of the
4 meters.

5 MR. BLATTNER: But isn't it a question of
6 usage versus size of a meter? Because you can run a
7 million gallons through a five-eighths meter and run
8 a million gallons through a one-inch meter, and does it
9 cost more?

10 CHMN. SPITZER: It is part of the rate design
11 of the case. But theoretically, if you would have a
12 hundred people running a hundred times as much, the larger
13 the meter, the more the potential for the draw I guess is
14 the theory.

15 MR. BLATTNER: But it really comes down to
16 useage.

17 CHMN. SPITZER: Sure.

18 MR. BLATTNER: And then when both residents
19 are side by side, why is one resident charged more for a
20 larger meter if the usage is the same?

21 CHMN. SPITZER: And that's --

22 MR. BLATTNER: It is an installation problem,
23 not a usage.

24 CHMN. SPITZER: It is not in every case.
25 Every case is different. Each case has a different

1 design, commodity charge, size of the meter.

2 MR. BLATTNER: Just seems to me like, it just
3 seems to me it is another way of getting money out of the
4 residents for whatever reason.

5 CHMN. SPITZER: What is, I think, striking to
6 me and something that could be addressed in a rate case is
7 the -- make it very plain, you shouldn't have to pay any
8 more than you need.

9 MR. BLATTNER: Correct. Should be a one lump
10 sum --

11 CHMN. SPITZER: That's the bottom line.

12 MR. BLATTNER: -- additional cost for the
13 additional cost for the meter sets.

14 CHMN. SPITZER: I think Commissioner Gleason
15 pointed out the way you set a case, you have a revenue
16 structure. And one set revenue structure is determined.
17 How you allocate the revenue structure among the various
18 interests is a second feature of the case.

19 MR. BLATTNER: Then I think the revenue
20 structure is incorrect, because for a resident, you know,
21 neighbors, one five-eighths inch, one inch meter, it is
22 all equal.

23 CHMN. SPITZER: That's something we are free
24 to look at.

25 MR. BLATTNER: Okay.

1 CHMN. SPITZER: And change is appropriate.

2 Okay. The Chair will recognize Commissioner
3 Mayes for closing remarks.

4 COM. MAYES: Thank you, Mr. Chairman.

5 I would just like to say it has been very
6 informative to come out here. It has demonstrated exactly
7 why we do these things, which is to learn about issues
8 that we wouldn't otherwise learn about. I can name three
9 off the top of my head, is discoloration, the metering
10 issues, the customer service. And I think those are all
11 issues that may be, as the Chairman said, something we can
12 deal with, you know, even before the rate case, but
13 certainly is --

14 Anyway, thank you again. Again, as the
15 Chairman said, please feel free to contact us, any of us,
16 which you can do on the website. And I look forward to
17 talking to you again.

18 CHMN. SPITZER: The Chair will recognize
19 Commissioner Gleason.

20 COM. GLEASON: As far as the water is
21 concerned in Phoenix and at home, I drink water out of the
22 tap. I think it has more arsenic in it and it helps with
23 my amoeba.

24 COM. HATCH-MILLER: Again, I am Jeff
25 Hatch-Miller. I am the guy with the two last names.

1 You know, it is amazing to me. I am really
2 proud to be an Arizonan. I have only been here 25 years
3 so I am kind of a newcomer but I am really proud to be
4 one. But it hasn't been often I see six or 700 people in
5 a community come out here, a lot of them standing, maybe
6 200 just standing.

7 I know that Arizonans are willing to come out
8 on community issues and demand justice. As Commissioner
9 Mayes said, she had three issues that she had heard. And
10 I will agree with those three. But the one thing I heard
11 very clearly, you feel that the great increases being
12 requested are unjust.

13 As I said in my opening remarks, we will work
14 as a Commission to make sure that we are truly basing it
15 on what it costs to provide you water and wastewater
16 services and a small but reasonable profit above that, and
17 that's what you will be paying. Thank you.

18 CHMN. SPITZER: Thank you, Commissioner.

19 The Chair will recognize Commissioner Mundell.

20 COM. MUNDELL: Thank you, Mr. Chairman.

21 As I said earlier, it is really beneficial to
22 have these public comment meetings. We talked about
23 different issues and I wrote down a number of them, you
24 know, billing problems, quality of water concerns, size of
25 meters, communication problems and notice issues.

1 So again, as we have indicated, those issues
2 can be dealt with outside of a rate case. I mean those
3 are ongoing, everyday issues that we can deal with. And I
4 want to give you, first of all, the consumer services
5 number, (602) 542-4251, 542-4251. Of course you can call
6 any of our individual offices. But that is the major,
7 that is our consumer service line. And we have dedicated
8 staff that will try and solve the problems.

9 And, additionally, the hearing is going to be
10 scheduled for December 4th. And remember, I want to let
11 you know, if you can't make that hearing, to sit in and
12 listen to the listen line. We have a listen line,
13 (602) 542-0222, 542-0222. It is a listen line where you
14 can listen to the proceedings at your home and hear the
15 testimony about what is happening on this case.

16 So, again, I think it is very beneficial.
17 Like I said, I heard a number of issues that I would have
18 not known about if we hadn't had this public comment
19 session. It has given me ideas for questions to ask at
20 the hearing. And that's why we hold these comment
21 sessions in the communities that are impacted by our
22 decision. So I look forward to hearing from you and also
23 making a fair decision.

24 CHMN. SPITZER: Thank you.

25 I would like to thank all of you for your

1 participation and, to those who have remained, your great
2 patience with the process.

3 I wanted to acknowledge John Seyton from the
4 community who set up the public address system that we
5 have the benefit here. And the folks along here are the
6 Commission Staff. And I would like to thank them as well
7 for coming here. And they are not the elected officials.
8 They are the ones that make us look good, spending the
9 time away from their families. It is a service from the
10 State of Arizona not often recognized in public employees,
11 and we appreciate it.

12 And I think, as has been pointed out, the
13 Staff, the Commission in terms of the rate case, you are
14 aware of the position the Staff has taken. And, again, I
15 am from the private sector but oftentimes we neglect and
16 overlook the service of state employees. After 911 I
17 think we take a little bit different view of our armed
18 forces and fire and police. And I think that should
19 extend to all those public services such as those that are
20 here this evening.

21 My final comment is the two, two comments on
22 the process. We had a hearing, a final -- open meeting on
23 the matter involving Arizona Public Service Company. And
24 because of the open meeting law, we don't communicate with
25 each other. We do not deliberate in secret. There are no

1 secret deals. This is not like other organizations.
2 Everything is done in public and we don't know how it is
3 going to turn out when we bang down the gavel.

4 I did not know during the meeting how the case
5 would turn out. I think all five would agree it was a
6 deliberate process and positive process. And I think, had
7 you been seeing us, you would have been proud of the
8 process whether you agree or disagree with the end of the
9 case.

10 I had comments throughout to that effect
11 during the two years I served on the Commission. People
12 come up to me, they said, you know, someone, a lawyer in
13 the case, the company didn't win the case, but the lawyer
14 said, you know, we didn't win the case but we had a fair
15 hearing.

16 And that's what justice and democracy are
17 about. Rest assured we are not a rubber stamp for this
18 company or any company. We have had -- some of you may
19 have been familiar with a company beaten up in the
20 newspaper over our treatment of one telecommunications
21 company that I won't mention, who didn't get everything
22 that they wanted, and they shouldn't. And we are willing
23 to, even though they are very powerful, very politically
24 connected obviously to control some editorials, that
25 doesn't matter, since I have been on this Commission, we

1 have done what is in the public interest.

2 And we discussed a lot of the legalities. We
3 had an intervenor discuss some very detailed issues
4 regarding expenses, regarding rate of return, regarding
5 rate base. We have had discussions how we can figure the
6 rates once we set the revenues. It is very simple what
7 our job actually is. It is about justice. And justice
8 will be served in this case I am very confident.

9 Thank you very much. We appreciate all of
10 you.

11 (The proceedings were concluded at 7:56 p.m.)

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1 STATE OF ARIZONA)
2) ss.
3 COUNTY OF MARICOPA)
4
5
6

7 I, COLETTE E. ROSS, Certified Court Reporter No.
8 50658 for the State of Arizona, do hereby certify that the
9 foregoing printed pages constitute a full, true and
10 accurate transcript of the proceedings had in the
11 foregoing matter, all done to the best of my skill and
12 ability.

13
14 WITNESS my hand this 23rd day
15 of November, 2003.
16
17
18

19
20 Colette E. Ross
21 COLETTE E. ROSS
22 Certified Court Reporter
23 Certificate No. 50658
24
25

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date 10-5-03 Telephone No. 602-5737698

Name 3526 W. MOISE CT

Street Address _____

City _____ State _____ Zip _____

☒ I WOULD like to speak.

☐ I do NOT want to speak.

Comments: _____

**** THREE MINUTE SPEAKING LIMIT ****

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date 11-05-03 Telephone No. 623-551-9693

Name TIM BLATTNER

Street Address 39617 N. MAJESTY CT.

City ANTHEM State AZ Zip 85086

☐ I WOULD like to speak.

☐ I do NOT want to speak.

Comments: COST OF METERS IS A FIXED COST.

THAT SHOULD BE INCLUDED IN COST OF HOME.

**** THREE MINUTE SPEAKING LIMIT ****

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date 11-03-03 Telephone No. 551-9507

Name Max Plotzeneder

Street Address 3530 W Steinbeck Ct.

City Avellan State AZ Zip 85056

☒ I WOULD like to speak.

☐ I do NOT want to speak.

Comments: _____

**** THREE MINUTE SPEAKING LIMIT ****

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date 11/5/2003 Telephone No. 623-551-5499

Name Shane James

Street Address 2820 W. Adventure Dr.

City Avellan State AZ Zip 85086

☒ I WOULD like to speak.

☐ I do NOT want to speak.

Comments: about 1" meter and rate of Alteration

**** THREE MINUTE SPEAKING LIMIT ****

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date Nov 5, 2003 Telephone No. 623/640-0847

Name Russ Lockmiller

Street Address 3611 W. Denali Dr

City Anthem State AZ Zip 86336

☒ I WOULD like to speak. ☐ I do NOT want to speak.

Comments: Water rates too high

**** THREE MINUTE SPEAKING LIMIT ****

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date 11-5-03 Telephone No. 623 8793144

Name JOHN Balzer

Street Address 2944 W. EASTMAN DR.

City ANTHEM State AZ Zip 85086

☒ I WOULD like to speak. ☐ I do NOT want to speak.

Comments: Water Service Quality

**** THREE MINUTE SPEAKING LIMIT ****

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date 11/05/03 Telephone No. (623) 551-3557

Name RICHARD LINDNER

Street Address 41402 NO Congressional

City Anthem State AZ Zip 85086

☒ I WOULD like to speak.

☐ I do NOT want to speak.

Comments: ABOUT ARIZ AMERICAN
Water Shut-off policy -

** THREE MINUTE SPEAKING LIMIT **

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date November 5, 2003 Telephone No. 623-5511526

Name Frank J Grimmelmann

Street Address 42441 N. Cross Timbers CT

City Anthem State AZ Zip 85086

☒ I WOULD like to speak.

☐ I do NOT want to speak.

Comments: Request to make comments at the
Outset if possible to help set the
tone for Residents as Chair of Association
Fin Committee

** THREE MINUTE SPEAKING LIMIT **

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date 11/5/03 Telephone No. 551-0332

Name Honey Bartsch

Street Address 2453 W. Shadow Glen Ct

City Anthem State AZ Zip 85086

☒ I WOULD like to speak.

☐ I do NOT want to speak.

Comments: Accountability to quality and
purity of water

**** THREE MINUTE SPEAKING LIMIT ****

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date 11.05.03 Telephone No. 623-551-0471

Name CARL YOUNG

Street Address 3203 Steinbeck Dr.

City ANTHEM State AZ Zip 85086

☒ I would like to speak regarding: GAS or ELECTRIC

Comments: WATER RATE

**** THREE MINUTE SPEAKING LIMIT ****

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date Nov. 5, 2003 Telephone No. _____

Name Janice M. Samar

Street Address 3122 W. Spirit Dr.

City Anthem State AZ Zip 85086

☒ I WOULD like to speak.

☐ I do NOT want to speak.

Comments: How did the water co. arrive at
the need to raise the rates as they
proposed?

**** THREE MINUTE SPEAKING LIMIT ****

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date 11/5/03 Telephone No. 623 551 8244

Name JERRY GREVEN

Street Address 42035 N. CROOKED STICK

City ANTHEM State AZ Zip 85086

☒ I WOULD like to speak.

☐ I do NOT want to speak.

Comments: it is about profits + 100% more
than other areas being considered

**** THREE MINUTE SPEAKING LIMIT ****

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date Nov 5/03 Telephone No. 623-551-5002

Name BAIRKELLY

Street Address 2360 W FIRETOWN

City Avondale State AZ Zip 85006

☒ I WOULD like to speak.

☐ I do NOT want to speak.

Comments: READY

** THREE MINUTE SPEAKING LIMIT **

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date 11/5/2005 Telephone No. 551 9315

Name JACK BLACK

Street Address 2835 W. Whitman Ct.

City Avondale State AZ Zip 85086

☒ I WOULD like to speak.

☐ I do NOT want to speak.

Comments: _____

** THREE MINUTE SPEAKING LIMIT **

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date 10-5-03 Telephone No. 602-5737698

Name Tony DeHerrera

Street Address 3526 W. MORSE CT.

City ANthem State AZ Zip 85086

☒ I WOULD like to speak.

☐ I do NOT want to speak.

Comments: _____

**** THREE MINUTE SPEAKING LIMIT ****

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date 11/5/03 Telephone No. 551-1300

Name MARTHA G. OAD

Street Address 41915 N. OAKLAND CT

City ANTHEM State AZ Zip 85086

☒ I WOULD like to speak.

☐ I do NOT want to speak.

Comments: _____

**** THREE MINUTE SPEAKING LIMIT ****

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date 4/5/03 Telephone No. 623-551-1042

Name JIM JUNYER

Street Address 42203 N. Stone Mountain

City Ankeny State IA Zip _____

☒ I WOULD like to speak.

☐ I do NOT want to speak.

Comments: _____

**** THREE MINUTE SPEAKING LIMIT ****

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date _____ Telephone No. _____

Name Monica Bandler

Street Address 39721 N. Mayfield Trail

City Ankeny State IA Zip 52231

☒ I WOULD like to speak.

☐ I do NOT want to speak.

Comments: _____

**** THREE MINUTE SPEAKING LIMIT ****

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date Nov 5, 2003 Telephone No. 623-551-1225
Name Bill Gilbert
Street Address 40607 N. Republic
City Anthem State AZ Zip 85086-1588

☐ I WOULD like to speak.



I do NOT want to speak.

Comments: WAS A REASON Given that the ANTHEM
INDEPENDENT Water System WAS combined with ANOTHER
FOR PURPOSES OF RATE SETTING?
** THREE MINUTE SPEAKING LIMIT **

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date 11/5/03 Telephone No. 623-551-2166
Name DAVID HARDEIN
Street Address 40712 N. Apollo Way
City Anthem State AZ Zip 85086

☒ I WOULD like to speak.



I do NOT want to speak.

Comments: SEE attached Questions

** THREE MINUTE SPEAKING LIMIT **

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date 11-5-03 Telephone No. 623-551-3764

Name LARRY EVANS

Street Address 2746 W Plum Hollow

City Anthem State AZ Zip 85086

☐ I WOULD like to speak.

☒ I do NOT want to speak.

Comments: _____

**** THREE MINUTE SPEAKING LIMIT ****

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date 11-5-03 Telephone No. 623-551-3764

Name Willine EVANS

Street Address 2746 W. Plum Hollow Dr.

City Anthem State AZ Zip 85086

☐ I WOULD like to speak.

☒ I do NOT want to speak.

Comments: _____

**** THREE MINUTE SPEAKING LIMIT ****

Information for Public Comment Meeting

**** THREE MINUTE SPEAKING LIMIT ****

Information for Public Comment Meeting

**** THREE MINUTE SPEAKING LIMIT ****

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date 5 Nov 03 Telephone No. 551 0027

Name BAKAS, AL

Street Address 43209 N NATIONAL TRAIL

City ANTHONY State AZ Zip 85086

☐ I WOULD like to speak.

☒ I do NOT want to speak.

Comments: DONT WANT INCREASE IN
WATER RATES

**** THREE MINUTE SPEAKING LIMIT ****

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date 11/5/03 Telephone No. 123-551-3375

Name ALAN STURGE

Street Address 2334 W. FIRETHORN WAY

City ANTHONY State AZ Zip 85086

☐ I WOULD like to speak.

☒ I do NOT want to speak.

Comments: _____

**** THREE MINUTE SPEAKING LIMIT ****

ARIZONA CORPORATION COMMISSION

Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date 11/5/03 Telephone No. 623-551-9444

Name Mary Hobin

Street Address 3502 W. Plymouth Dr.

City Anthem State AZ Zip 85086

☐ I WOULD like to speak.

☒ I do NOT want to speak.

Comments: _____

**** THREE MINUTE SPEAKING LIMIT ****